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E.O. 12958: DECL: 09/24/2019
TAGS: [ECON](#) [ENIV](#) [ENRG](#) [EPET](#) [VE](#)
SUBJECT: PRELIMINARY DISCUSSIONS ON ENERGY COOPERATION
WITH VENEZUELA

REF: A. CARACAS 860
[¶](#)B. STATE 67032

Classified By: WHA/FO Christopher J. McMullen for E.O. 12958,
Reason 1.4 (d).

[¶](#)1. (C) This is an action cable - see para 7.

[¶](#)2. (C) Representatives of the Venezuelan government (GBRV) in recent weeks have reached out to USG officials in Caracas and Washington on several occasions about resuming a bilateral energy dialogue, including under the auspices of the 1997 Memorandum of Understanding (MOU) between the U.S. Department of Energy (DOE) and the Venezuelan Ministry of Energy and Petroleum. While that 10-year MOU has expired, we are willing to consider discussions with Venezuela on these important matters.

MEETING WITH VENEZUELA ENERGY ATTACH

[¶](#)3. (C) In a July 22 meeting with EEB, WHA, and DOE officers at the Department, the Venezuelan Embassy energy attach stated his government had resumed its full participation in the Energy Council, after paying its back dues. (The Energy Council is an Oklahoma-based coalition that includes state legislators from U.S. and Canadian energy producing states and provinces and Venezuela.) The Venezuelan attach indicated Ambassador Alvarez and PDVSA Director Fadi Kabboul will participate in the Council's annual meeting in Wichita, Kansas, on September 24-25. We acknowledged the GBRV's reengagement in the Council, while underscoring that to most effectively advance bilateral energy dialogue, PDVSA and the GBRV needed to engage directly with Embassy officers, including the Ambassador, in Caracas.

[¶](#)4. (C) The energy attach also conveyed an invitation for USG representation at the World Heavy Oil Congress, to be held in Puerto La Cruz in November. The Department has no objection to sending an Embassy representation at whatever level the Embassy judges best. Such participation could be seen as consistent with Ambassador Alvarez's participation in the Energy Council's annual meeting. Should the Embassy participate, Energy Council Chairman Mike Hill, who will lead a delegation to Puerto La Cruz, would be pleased to coordinate with the Embassy.

[¶](#)5. (U) As post is aware, the Department and the DOE co-lead the Energy and Climate Partnership of the Americas (EPCA) (ref b). We encourage nations in the Western Hemisphere to lead or participate in initiatives that support cooperation in the five section areas. Embassy can take this opportunity to raise EPCA with the Venezuelans, with a view to encouraging their participation.

[¶](#)6. (C) Despite difficulties in our overall bilateral relationship, for five years we have sought to engage the GBRV constructively on energy issues. The Venezuelan energy attach's approach and the Ambassador's return to post

represent an opportunity to make progress on this account, including by suggesting the specific engagement activities noted below. The ball, however, should be in the Venezuelans' court to respond.

PRELIMINARY DISCUSSIONS

17. (U) Action requested - that the Ambassador meet with appropriate Venezuelan officials to ascertain more about the GBRV's recent outreach on energy cooperation, including its seriousness overall and the level and type of discussion that it wants. You can solicit views on which elements of the 1997 MOU, which expired in 2007, are of particular interest to the Venezuelans. You can note that, assuming we have a clear indication of GBRV interest in any discussions, there is a possibility of general exchanges of views on:

-- global energy markets, including U.S. and Venezuelan forecasts;

-- bilateral energy trade and investment issues, including concerns of U.S. investors; and

-- government actions to promote energy efficiency and conservation within the energy sector.

You should point out that heavy oil research and development work - which the GBRV had identified as a possible area of discussion - is no longer a budgetary priority of the USG.

Based on your discussions and recommendations, the Department will discuss within the interagency what next steps are in order, including formal or ad hoc engagement with the GBRV on energy issues.

CLINTON